

SUBJECT: Continuing the State Purchasing and General Services Commission

COMMITTEE: Government Organization: committee substitute recommended

VOTE: 7 ayes — Gibson, Black, Finnell, Hartnett, A. Hill, Naishtat, Robnett
0 nays
2 absent — Smithee, Stiles

WITNESSES: No public hearing

BACKGROUND: The State Purchasing and General Services Commission is responsible for supporting state agencies with services such as purchasing, maintaining public buildings and grounds, leasing space, eliminating architectural barriers, property accounting, holding surplus and salvage property, telecommunication services, competitive cost review, travel and transportation. The agency is governed by a three-member board of gubernatorial appointees, which names the executive director.

The agency is included in the Texas Sunset Act and was reviewed by the Sunset Commission during the last interim.

DIGEST: CSHB 39 would continue the State Purchasing and General Services Commission under the name "General Services Commission," until September 1, 2003. It would make a number of changes in the agency's authorizing statute.

Purchasing. The General Services Commission (GSC) would be required to remove a vendor's name from the agency bidder list for up to one year if the department received repeated complaints about the vendor. The dollar value of state agency purchases that would not have to be made through GSC would be raised from \$500 to \$5,000. State agencies making purchases over \$5,000 would have to solicit bids from all eligible vendors on the agency's bidding list. Competitive bidding would not be required for purchases over \$1,000 rather than \$100. GSC would be required to give preference to energy-efficient products that meet specifications and cost the same or less than similar products.

Alternative fuel conversion. GSC would be authorized to set the minimum amount of time by which state agencies and school districts would have to convert certain vehicles using traditional engines to use of compressed natural gas or other fuels. Agencies would be allowed one or more 90-day extensions (until September 1, 1992) in which to implement conversion plans.

Travel services. GSC would be required to adopt rules for the structure of travel agency services and related contract requirements. Executive branch agencies would be required to participate in state contracted rates for travel services. Institutions of higher education would be exempt from having to use travel agencies under state contract. GSC could establish rules to allow additional exemptions. The State Travel Management Program would be prohibited from entering into a single, statewide contract for travel agency services.

Telecommunications. Public universities would be authorized to provide TEX-AN state telephone services to students in university-owned housing on a cost-recovery basis. Participation by a university would be optional, and student participation would be voluntary.

The bill would specify that it is not the policy of the state to provide telecommunications services to the general public in competition with the private sector, unless there is a compelling public need.

With the exception of TEX-AN equipment, GSC would not be able to negotiate pre-approved contracts for telecommunications and automated information systems equipment without the concurrence of the Department of Information Resources (DIR).

Transfer of authority. The Capitol Security Police Division would be transferred from GSC to the Texas Department of Public Safety.

The program for eliminating architectural barriers would be transferred from GSC to the Texas Department of Licensing and Regulation (TDLR). The department would be authorized to contract with other state agencies, political subdivisions, nonprofit organizations and private entities to inspect

privately financed buildings that are subject to architectural-barrier regulation.

The bill would transfer responsibility for the state property accounting system from the commission to the comptroller.

Miscellaneous. The Texas Public Finance Authority (TPFA) would be required promptly to issue, sell and deposit bond proceeds for projects approved by the Legislature.

Other than university buildings and prisons, state buildings could be named after only deceased persons whose lives were significant to the state. Commission proposals to name or re-name buildings would have to be approved by a concurrent resolution of the Legislature signed by the governor.

**SUPPORTERS
SAY:**

Changing the commission's name to the "General Services Commission" would make the agency easier to identify and would make its role clearer to the public.

The Public Finance Authority is not now required to issue bonds to finance projects approved by the Legislature. This lack of statutory directive has resulted in delays in important building projects, such as the purchase of One Capital Square and construction of prison facilities. By requiring the finance authority to issue bonds for such projects, the bill would ensure that financing for projects can be secured with diligent speed.

Requiring executive agencies to participate in the State Travel Management Program would cut the state's traveling costs, since the added travel volume would allow the state to negotiate more favorable contract rates.

The transfer of the architectural barriers program to TDLR would provide additional support for the program's inspection and enforcement activities. More timely inspections and complaint investigations can be conducted from field offices than from a central office in Austin. In addition, the local employees are familiar with their region and can be more effective in disseminating information and identifying violators.

The board, and not the governor, should appoint the commission's executive director in order to ensure that the job does not become politicized and to provide continuity. Every year, the commission awards millions of dollars worth of contracts, and the role of executive director is too important to be held by a series of political appointees. In order to create a more diverse board, the bill requires the governor to attempt to appoint board members from different minority groups.

CSHB 39 is not a reorganization bill. While the establishment of a centralized personnel office may be worthy of consideration, such a provision does not belong in a sunset bill for State Purchasing and General Services.

**OPPONENTS
SAY:**

The Public Finance Authority should not be made a rubber stamp for the issuance of state bonds to purchase and construct billions of dollars worth of state buildings. The authority should be able to exercise independent oversight of state construction to ensure that state construction bonds are not issued if any potential question exists concerning their sale.

**OTHER
OPPONENTS
SAY:**

The governor is elected by the voters of the state to administer state government and should be able to appoint the executive director of the department most responsible for the operation of state agencies. Such a provision would make the governor more accountable for the efficient operation of state government. In addition, the three-member governing board should be expanded. A larger board would provide more opportunities for the governor to appoint board members who reflect the state's ethnic and geographic diversity. Since 1965 every member of the board has been a white male, and in the last 25 years, over half of the board members have come from either Houston or Dallas.

CSHB 39 should create a centralized personnel office. Texas is the only state in the country without a statewide personnel office. Such an office would create a more equitable and consistent personnel policy between agencies, eliminate duplication and provide a central location for expert assistance. The office would also provide central access to uniform data and enable personnel to move easily between agencies.

HB 39
House Research Organization
page 5

NOTES:

A bill continuing the commission, SB 831 by Barrientos, died on the final day of the regular session when the Senate did not adopt a conference-committee report.

Another bill to continue the commission, HB 78 by Gibson, died in the first called session when the Senate again did not adopt a conference committee report; the House adopted the conference report on HB 78 by 102-37 on August 12.

The conference report on HB 78, first special session, and SB 9 by Barrientos, second called session, contain a number of provisions that are not included in CSHB 39. For instance, both would expand the governing board to six members, allow the governor to appoint the executive director, create the Texas Office of Personnel Services as a division within the Texas Employment Commission and restructure the Department of Information Resources and give it a greater role in state telecommunications policy. The conference report and SB 9 set the sunset review date at September 1, 1993. SB 9 has been referred to the Senate Administration Committee.

Major differences between CSHB 39 and HB 39 as filed are that the original would have restructured the DIR and provided it with more input in state telecommunications policy and required that preference be given to recycled materials if the price and quality were comparable to similar materials. The substitute changed the proposed sunset date from September 1, 1993 to September 1, 2003.